

Message Text

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70-61

ACTION STR-01

INFO OCT-01 SS-14 ADP-00 EUR-10 EB-03 CIEP-01 AGR-03

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R 311754Z AUG 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7186

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

C O N F I D E N T I A L BONN 12576

LIMDIS

E.O. 11652: GDS

TAGS: ETRD, GATT, US, EC, GW

SUBJECT: ARTICLE XXIV:6 NEGOTIATIONS

REF: STATE 169850

1. I GAVE THE NOTE IN REFTEL TO FOREIGN MINISTER SCHEEL DURING MY CALL ON THE MINISTER AUGUST 31, STRESSING THE IMPORTANCE WE PLACE ON SUCCESSFUL CONCLUSION OF 24:6 NEGOTIATIONS, AND OUR AWARENESS OF FRG EFFORTS IN PAST EC DISCUSSIONS. SCHEEL REMARKED DRYLY THAT GERMAN SUPPORT FOR US HAD NOT HELPED THE GERMANS THEMSELVES MUCH IN THE EC, BUT DESPITE THIS THEY WOULD CON-
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TINUE TO SUPPORT US POSITIONS.

2. THE PREVIOUS EVENING I HAD CALLED ON ECONOMICS MINISTER FRIDERICH'S TO COVER MORE FULLY THE US REACTION TO THE COMMISSION'S PROPOSED LIST OF CONCESSIONS AND THE IMPROVEMENTS WE SEEK. I ALSO GAVE FRIDERICH'S A COPY OF OUR NOTE. FRIDERICH'S WAS ACCOMPANIED BY ASSISTANT SECRETARY STEEG AND KUEHN (DIRECTOR OF THE OFFICE OF TARIFF POLICY).

3. GIVEN THE EXTENT OF FRG UNDERSTANDING FOR OUR GENERAL 24:6 POSITION, I, IN MY DISCUSSION WITH FRIDERICH'S, PASSED LIGHTLY OVER THE LEGAL AND STATISTICAL BASIS OF THE US CLAIM, BUT EMPHASIZED OUR READINESS TO PROCEED PRAGMATICALLY TO A NEGOTIATED SETTLEMENT. FRIDERICH'S EXPRESSED LITTLE SYMPATHY FOR FURTHER DISCUSSION OF STATISTICAL CALCULATIONS, INCLUDING THOSE OF THE COMMISSION, NOTING IN PASSING THAT OUR PINHEAD SEEMED TO HAVE SOMEWHAT MORE ANGELS ON IT THAN THE COMMISSION'S. HE WELCOMED WARMLY THE US DESIRE TO PROCEED PRAGMATICALLY AND SAID THE FRG SHARED OUR DESIRE TO MOVE IN THIS WAY TOWARD A 24:6 SETTLEMENT ACCEPTABLE TO THE US AND OTHER THIRD COUNTRIES.

4. I REVIEWED THE IMPROVEMENTS IN THE LIST REPORTEDLY PROPOSED BY THE COMMISSION WHICH THE US BELIEVES NECESSARY -- IMPROVED QUALITY OF CONCESSIONS, SOME ADDITIONAL ITEMS AND GRAINS. FRIDERICH'S NOTED MY POINTS CAREFULLY AND ASKED STEEG AND KUEHN TO MEET SUBSEQUENTLY WITH AN EMBASSY OFFICER TO PURSUE THIS FURTHER. IN GENERAL, FRIDERICH'S SAID, THE FRG WAS WITH US, BUT HE (AND FRAU STEEG) HAD TO NOTE A NUMBER OF DIFFICULTIES AND UNCERTAINTIES IN THE BROADER EC CONTEXT.

5. FIRST, HE SAID, THE FRENCH POSITION WAS THE KEY ONE. HE NOTED THAT THE CURRENT STATE OF FRANCO-GERMAN RELATIONS IN THE EC REDUCED THE FRG'S PROSPECTS FOR INFLUENCING THE FRENCH. SECOND, HE DID NOT EXPECT EC DISCUSSIONS OF THE COMMISSION LIST TO GET ANYWHERE UNTIL

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AFTER THE GATT MINISTERIAL, NOTING THAT THE ATMOSPHERE AT TOKYO MIGHT AFFECT THE FURTHER COURSE OF THESE DISCUSSIONS. THIRD, FRAU STEEG NOTED THAT THE COMMISSION'S LIST ALREADY FEATURED QUITE PROMINENTLY CONCESSIONS OF MAJOR INTEREST TO THE US -- IN CONTRAST THE EC'S OFFICIAL STANCE THAT COMPENSATION WAS DUE TO SEVERAL THIRD COUNTRIES, BUT NOT THE US. THIS PROBLEM OF BALANCE WOULD BECOME MORE DIFFICULT TO HANDLE IN

THE CONTEXT OF IMPROVING OR EXTENDING THE LIST FURTHER
WITH REGARD TO ITEMS OF MAJOR INTEREST TO THE US.

6. ON GRAINS, KUEHN EXPRESSED THE HOPE THAT A US-EC
FORMULATION COULD BE FOUND, EVEN IF AN AMBIGUOUS ONE,
WHICH WOULD INDICATE THAT THIS DISCUSSION WILL CONTINUE.
HILLENBRAND

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